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JUL 1964

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MEMORANDUM FOR: Director of Personnel

ATTENTION : Miss [REDACTED]

SUBJECT : CSC Proposed Payroll Allotment Policies for Voluntary Charitable Contributions

1. This Office recommends that your reply to the Civil Service Commission on the subject proposal suggest that the language of the allotment authorization and related instructions be amended to provide that withholdings for 1965 will be from salary payments made during the year. This would result in conforming amounts withheld with the individual's tax year.

2. In addition to the foregoing comment for the CSC, there are some foreseeable problems in connection with administering such a program in this Agency [REDACTED]. The Agency adaptation of the CSC proposal should include consideration of the following:


- a. The program should be limited to staff employees paid from vouchered funds. While it is feasible to transfer an allotment when an employee is reassigned between funds, it is believed inappropriate to undertake payroll deductions on the confidential funds payrolls for the relatively small proportion of employees stationed at Headquarters who are paid from such funds and would desire such deductions. After the experimental year of 1965, it may be feasible to reconsider and broaden the coverage to include employees at Headquarters paid from confidential funds.



- b. Provision should be made in Agency instructions that employees allotting a portion of their salary for charitable purposes be urged to retain their earnings statements to verify the amount to be used on their tax returns and that those employees who are requested by a tax authority to show proof of the amount withheld for charitable purposes will be

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furnished a statement of withholdings by the payroll office. It is believed that this procedure would be less expensive than to furnish all employees a year-end statement of charitable withholdings which would have to be in keeping with the type of W-2 they are issued.

- d. This Agency would probably have to decline furnishing the statistics requested by paragraph 6b of the CSC instructions concerning the number of contributors when checks are transmitted to the charitable organizations. This procedure would be in keeping with the Agency's general policy of restricting reports relating to members of employees.
3. When the final instructions on this subject are issued by the CSC, this Office will be glad to coordinate with your Office and ADP9 on the development of the Agency procedures relating to this matter.



R. H. FUCHS
Director of Finance

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